

MINUTES
REGULAR MEETING OF BOARD OF LAND COMMISSIONERS
January 16, 2007, at 9:00 a.m.
Scott Hart Auditorium
301 N. Roberts
Helena, Montana

PRESENT: Lt. Governor John Bohlinger, State Auditor John Morrison, Secretary of State Brad Johnson, Attorney General Mike McGrath and Superintendent of Public Instruction Linda McCulloch

Mr. Johnson moved for approval of the minutes from the December 18, 2006, meeting of the Board of Land Commissioners. Seconded by Ms. McCulloch. Motion carried unanimously.

BUSINESS CONSIDERED:

107-1 FINAL APPROVAL FOR SALE OF MISSOULA ARMORY

Ms. Sexton said this is the proposal from the Department of Military Affairs (DMA) to sell the Missoula Reserve Street Armory at public auction, 5.3 acres with frontage on Reserve Street. The Armory was built in 1975 and consists of a 27,000 square foot building which houses an armory and also a 1,500 square foot unheated storage building. The appraised value of the property at cash sale is \$3.5 million. The DMA is planning another armory at another location and two or three sites are under consideration. The EA checklist has been completed. Upon approval by the Board the DNRC on behalf of the DMA, will publish a public notice regarding the details of the sale and the auction process. It is the recommendation of the DMA to set the minimum bid of \$2.5 million. If the property sells for at least the minimum bid they request approval to proceed with consummating the sale within 30-60 days from the date of the auction.

Mr. McGrath said when we sell property where to the proceeds go? Is that General Fund?

Mr. Ralph DeCunzo, DMA, said the intent is to sell the property in order to purchase a new piece of property to build a combined facility for the National Guard along with the Army Reserves. The Army Reserves are currently located at Fort Missoula on Reserve Street. We will be presenting this proposal to the Legislature to get its spending authority and permission to purchase the property and then of course come back to the Land Board for final approval. We need to sell the building in order to purchase property to build the new facility.

Mr. McGrath said and the new facility would be in Fort Missoula?

Mr. DeCunzo said no it would be at some location yet to be determined. We have two or three sites we've looked at but have not made a final decision on either of them just yet.

Motion was made by Ms. McCulloch to approve the sale of the Missoula Armory. Seconded by Mr. McGrath. Motion carried unanimously.

107-2 APPROVAL FOR TRANSFER OF CHINOOK ARMORY TO CITY OF CHINOOK

Ms. Sexton said this is utilizing the authority of §77-2-351, MCA, the transfer of a property to another entity which qualifies as a public purpose. This armory is located in Chinook. In 1948 the City deeded some portion, about ½ acre, to the State of Montana for the construction of a military garage which is currently being used for storage. There are newer facilities in Chinook that are being used by DMA and there is no longer a need for this facility. We had a consultation with the City and I do have letters, this was part of the understanding that there would be consultation. The EA checklist has been completed and there was no significant opposition. The City of Chinook unanimously endorsed the transfer of this property. DMA requests final approval from the Board to transfer this property to the City of Chinook to be used for City services which fulfills the requirement of §77-2-351, MCA.

Motion was made by Mr. Morrison to approve the transfer of property to the City of Chinook. Seconded by Mr. Johnson. Motion carried unanimously.

~~107-3 PRELIMINARY APPROVAL: SALE OF GLENDIVE ARMORY~~

Ms. Sexton said this has been withdrawn from consideration this month. It was for the sale of the Glendive Armory at public auction. We received word from the DMA on Friday that they are not ready to move forward with this at this time. So this has been withdrawn.

107-4 LAND BANKING: WOLF CREEK RANCH ACQUISITION

Ms. Sexton said this is for final approval of the acquisition of the Wolf Creek Ranch which is near Denton, Montana, in Fergus County. The ranch consists of 1,840 acres, there is a riparian corridor along Wolf Creek and offers dry land grain production in the bench land and high production hayground near the riparian areas. It offers excellent recreational opportunities and there is legal access. The income to the beneficiaries is almost 2% return of investment, there will be \$28,000 per year. The purchase price and the appraised value is at \$701/acre making it \$1.29 million. The closing date is January 18, 2007. We have received more letters of support on this than I have seen in a long time, the last count was 27 letters of support for the purchase of this property. There is a lot of interest given the fact that Lewistown is looking very attractive for a lot of people and I think this works in well with the Beckman WMA and with our holdings in the area. The return of investment has certainly increased and this is going to be a nice parcel to add to our portfolio. I recommend approval of the Wolf Creek Ranch acquisition.

Mr. McGrath said I have a question about the water rights.

Ms. Sexton said there is a water right evaluation report. We do have one water right that will have to be split between the parties and an agreement reached with the private owner on how they would allow diverted water from the reservoir. There are a number of water rights here.

Jeanne Holmgren, DNRC Real Estate Management Bureau, said my understanding is there are many water rights associated with this property. The reason for the split is the 1,840 acres was a part of a larger parcel and subsequently that parcel was sold into two or three different properties. Part of the water right associated with the reservoir that will be split served some property that had been previously sold and was part of the larger ranch itself. That is why it is being split. It will be for stockwater tanks. In talking with Clive Rooney, the Area Manager for the DNRC North Eastern Land Office, there is substantial and excess water rights that will go with this property.

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Mr. McGrath said so that will be worked out as we close on this?

Ms. Holmgren said yes it will. Clive is already in conversations with the adjacent landowner that will get some of the water rights after they are split.

Mr. Johnson said I see that a Fergus County Commissioner has written a letter in opposition on behalf of the Rod and Gun Club and it is addressing the loss in tax revenues. I had a gentleman call me a couple of weeks ago with the same concern as it related to the Tongue River Ranch. Does the department in its evaluation take that into consideration? What is the response to folks that raise this concern?

Ms. Sexton said yes, we have taken that into consideration. We did confer with all of the commissioners and I would note that at this point in time we have not sold any parcels in Fergus County. But it is our intent because we do have nominations in Fergus County. As we go through the next go-round of sales, we will include some in Fergus County. It would be hard to get an exact sale and purchase in each county. The Tongue River Ranch, for example in Custer County, we are selling about 9,000 acres and we will be purchasing about 18,000. We did a rough estimate of what that change might be worth and we are looking at \$4,000 - \$5,000 in the tax base. We really don't know because we don't have the assessments in. But that is one reason in Custer County we tried to purchase there because we sold so much. So we are trying to keep a rough balance. Again, we do look forward to selling some parcels in Fergus County because we do recognize that imbalance.

Motion was made by Mr. Johnson to approve the acquisition for the Wolf Creek Ranch. Seconded by Ms. McCulloch. Motion carried unanimously.

107-5 LAND BANKING: TONGUE RIVER RANCH ACQUISITION

Ms. Sexton said this has been on the Board's agenda several times. At the November 2006, meeting we were authorized to move forward subject to four contingencies. The access issue asks for all lawful purpose public access and insurable by the title company. We are close to finalizing that one and my recommendation for final approval is contingent upon the access issue being resolved. We are very close to that. The current owner is working with the landowner and also with the county. The appraised value was \$4.8 million. We have been working for the last month with Pheasants Forever who has agreed to put in \$200,000 which will meet the \$5 million agreed-upon purchase price. The environmental remediation was completed on December 18th and there was nothing found to be of concern. We did have the time extended by the Board until January 2007. The earnest money will remain in escrow in the state's name until such time that the access issues are resolved. At this point in time, I believe we have addressed most of the contingencies. The only one that remains is the access issue. It is my recommendation the Board grant final approval of the purchase of the Tongue River Ranch pending resolution of the access contingencies.

Jay Bodner, Montana Stockgrowers Association, said we sent a letter to the Custer County Commissioners just to outline a couple of our concerns, we also sent a letter to members of the Board. It was mainly over the access issue. We have discussed with at least one of the property owners where Divide Creek Road runs through, it is the road in question in these property-owner's minds as to whether it is a county road or just a gas tax road. I guess as long as the department and Board are comfortable in resolving that issue and letting those landowners involved in that come to a workable agreement we wouldn't have any objection. That was the real issue that came to light.

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Mr. Johnson said at one point there was an indication there might be some litigation from either side in this debate with regard to designation of the status of that road. Have we negotiated our way beyond that?

Ms. Sexton said I think we have. At this point in time, the landowner is working both with the county and the neighboring landowners on Divide Creek Road. On the Moon Creek Road the county has determined from historical documents it is a county road. The title company agrees it is a county road but it is the Divide Creek Road that is under question. That did instigate a letter of request from the Attorney General regarding the statute and there was an answer given back in the form of a letter of opinion to the county commissioners regarding that particular statute. So the county may be utilizing that. The landowner is in discussions with the neighboring landowners regarding access on the Divide Creek Road. I think it is beyond the litigation point.

Mr. Johnson said it is important that resolution of these things be completed.

Mr. Morrison asked has the Custer County Commission had their January meeting yet? And if so, did they talk about this at that meeting?

Ms. Sexton said yes they did and I think they were awaiting a response from the Attorney General and they were also in the process of looking at the historical documents that they hadn't previously reviewed regarding Moon Creek Road. At that time they agreed and their road foreman also agreed that with the documents they had, it was a county road. They did not take action on the Divide Creek Road and that's why the current landowner is looking at the neighboring landowners and some access and easement issues there.

Mr. Morrison said do you have an estimated time when the access issues will be resolved? Assuming we don't wind up in litigation.

Ms. Sexton said we're hoping within the next couple of weeks.

Mr. Morrison said before the next Land Board meeting?

Ms. Sexton said yes.

Motion was made by Mr. McGrath to approve the acquisition of the Tongue River Ranch subject to the contingency that public access be obtained. Seconded by Mr. Morrison. Motion carried unanimously.

107-6 LAND BANKING: MEYERS RANCH SALE PARCEL #77

Ms. Sexton said in June 2005, we approved this isolated parcel, this has also previously come before the Board. A cultural survey has been conducted on the property, two appraisals have been performed, the first done by a staff appraiser and the second by a private appraiser contracted by the lessee. We have the amounts with access and without access. It noted that setting the minimum bid allows us to notify the lessee, beneficiary, surrounding landowners, and agencies that the parcel will be offered for sale. It is my recommendation the Board set the minimum bid at \$600 per acre. I have prepared some background information for you about the private appraisal and the department appraisal. The Board has looked at this information before. We have the department appraisal and the Wheeler appraisal. I want to note that it has been a year since the appraisals were completed, the Wheeler appraisal was done in March 2006, so there is an appreciation factor we need to take into consideration. We can look at the adjustments made and there were ranges in the two appraisals. The department appraisal was between \$480 and \$660 per

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acre, in the Wheeler appraisal the range was between \$318 and \$650 per acre. Looking at the range, taking into consideration the appreciation which has probably occurred, and values of the three ranches currently listed in the Helmville area. One ranch is listed at \$951 for 17,000 acres, and smaller 160 acre parcels are listed between \$3,000 and \$3,500 per acre. With the fact that there is an appreciation factor and looking at the comparisons we have, it is my recommendation we set the minimum bid on landbanking parcel #77 at \$600 per acre.

Mr. McGrath said how many acres are involved in this sale?

Ms. Sexton said 640, a section.

Motion was made by Ms. McCulloch to approve the sale of the Meyer Ranch, parcel #77, with the minimum bid set at \$600 per acre. Seconded by Mr. Johnson. Motion carried unanimously.

Mr. McGrath said I'd like to add an explanation for my vote. There has been this issue about the qualifications of one of the appraisers, the appraiser the state used. As far as I am concerned, I am voting based upon the information Ms. Sexton supplied this morning. I am not relying on the appraisal from the state's appraiser, rather I am looking at the range that was indicated, the fact that we've had year since the appraisals were done, and the fact of comparable values in the area.

Mr. Johnson said I do believe the experience we've had with this particular transaction suggests that perhaps this Board should revisit the policies that are in place. Both with regard to more clearly defining the requirements for approval of a department appraiser and with this issue of access or no access as it exists when an adjoining landowner is purchasing a piece of state land. I think both of those areas need to be addressed by this Board at a future meeting. I hope the department can help us accomplish that.

Ms. Sexton said we'd be glad to. There is legislation that addresses both of those issues.

Mr. Johnson said perhaps you could give us an update on that as it moves forward.

Ms. Sexton said we will put an information item together for the next meeting.

107-7 RIGHTS-OF-WAY APPLICATIONS

Ms. Sexton said this month there are 34 requests for rights-of-way. There are a number of historic electric utilities, historic private access road, new telephone utilities, and we have a private access road under the new policy. There are two people listed and on page 33 there is an explanation as to why these are together. They are requesting individual easements to utilize the same road to access their private land. Both properties are encumbered by conservation easements that restricts subdivision of the parcels and allows only one residential unit on each property. Because those applicants hope to build residences on their respective lots, these two applications were reviewed and processed under our newly approved Access Road Policy. I recommend approval of both of these easements, they are separate easements but for the same road.

Also this month there are #13817 through 13840, and 13997 through 14000 from 3 Rivers Telephone Cooperative for buried fiber optic cable; #14001 is from the Lower Yellowstone Rural Electric Association for an overhead electric distribution line; #14002 and 14003 are from Triangle Telephone Cooperative Association for buried telecommunications cables; #14004 is from Joe and Kitty Schmid for a private access road for normal farming and ranching operations; #14005 is from Bryan and Megan

Bradshaw for a private access road to a single family residence; and #14006 is from Paraic David and Rebecca Neiberg for a private access road to a single family residence.

Motion was made by Mr. McGrath to approve the rights-of-way applications. Seconded by Mr. Johnson. Motion carried unanimously.

INFORMATIONAL ITEMS

107-8 SULA STATE FOREST: THE FIRES OF 2000, RESTORATION, MONITORING, AND RECOVERY
(Power Point Show presented by Scott McLeod and Jon Hayes)

Ms. Sexton said we have a presentation today regarding the Sula State Forest and the fires of 2000 where we were able to very quickly get into that area with salvage logging. We've had an on-going restoration, monitoring, and recovery effort there. We have also been busy logging the Derby Fire, the Packer Gulch Fire, and three other salvage log sales we've been working on since the fires of 2006.

Scott McLeod, DNRC Forest Management Bureau silviculturist, said the fires of 2000, the Bitterroot Fires, really raged through the area and gave us a number of opportunities to demonstrate our responsiveness and ability to manage a resource for multiple purposes.

What burned in the fire? Over 350,000 acres in the Bitterroot burned at varying intensities. This was a non-characteristic fire. The previous high acres-burned was 300,000 acres in the previous two worst decades and we exceeded that in about two weeks of burning in 2000. On the Sula we lost 12,000 out of 14,000 acres. Lots of Douglas fir and pine forest, which burned at what we considered uncharacteristically hot temperatures. The acres of stand replacement burn was about 2/3 of what burned. Typically one would expect much less intense fire. There is white ash and very little coarse woody debris left on the forest floor. It burned really hot and it burned in just a matter of days.

What do we care about when our lands burn? What do we have to respond to and what are we concerned with? Primarily it is the effects on various forest resources. For example, in soils we've got concerns about nutrient loss from volatilization or from erosion. Nitrogen begins volatilizing at fairly low temperatures, slightly over 500 degrees, other nutrients can be lost through volatilization as well. There are some nutrients released. Obviously there are some nutrients in the ash but this is very very hot burning. The risk is a rainfall event comes along and you start washing away these nutrients that have just been released from whatever vegetative material has been burned. We are also concerned with water. Water temperature can rise significantly after removal of the vegetation that shades the streams so we track that. Sediment is another big issue. I think a number of days after the fire the Bitterroot River actually ran black because of the rainfall events that kicked up ash. We are also concerned about wildlife. Obviously there is not a lot of habitat left and not all wildlife gets out of the fire. They try to, they look for places they think are secure. Our hydrologist also looked at dead frogs and dead fish in the water. There is a lot of concern what is going to happen to the wildlife after the fires. Also vegetation. How fast does the forest recover? What about our reforestation efforts? It doesn't look like there is much seed left in the trees, there may have been some seed left in the soil but when you get fires like the seed in the soil often burns up too. We are also concerned with weeds. We've got an awful lot of open area with no competition and the concern was weeds could come in. Finally, how do we pay for it? We can't just go out and spend money we don't have. How did we accomplish what we were after? A lot of it came from grants but a lot of it came from our Forest Improvement account. We probably spent over a million

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dollars in the last six years on restoration, monitoring, and reforestation on Sula out of the FI account. We've also gotten several hundred thousand dollars from various grants.

The first thing we do is to try and get something on the ground to prevent any flash rainfall events from eroding away significantly. Some of the activities we conduct are more effective than others. Stream stabilization is very effective, log erosion barriers are very effective, the straw/mulch seeding is very effective. We are finding one of the things less effective is grass seeding immediately afterwards. Most research is showing that natural recovery rates are enough that the grass seeding is not necessary.

We also monitor things after the sale and after we have installed some erosion control. Once you get soil packed around the log erosion barriers and slow the water down and prevent it from running around the edges, they are very effective. Basically they slow down the water and dissipate it, the two things you need to do when you've got concern with erosion. You don't want the water building up in volume and you don't want it going fast. What did we find from monitoring the soils after harvest? We found the harvested sites had slightly more erosion than the non-harvested sites. We define erosion as the movement of soil, it could have moved from 3 – 4 inches but we still would classify that as erosion. There wasn't any sheet erosion or big erosion events as a result of the rain. We didn't find any displacement and very little compaction associated with winter harvest. Finally, we found our rehabilitative measures were effective in reducing erosion.

Water quality monitoring was conducted. As part of our harvesting we did no harvesting in the SMZ buffers and in doing so we retained 87% of the shade and about 90% of the potential large woody debris recruitment. The log barriers are what we consider large woody debris. It is important for slowing the water down in the stream and providing slash pools on rehabilitated stream reaches. We found there is low to moderate nutrient and sediment values recorded during sampling. We also found that severe runoff, debris flows, and high sediment levels occurred during intense summer rain events even where no harvesting occurs. Areas that had no harvesting experienced some significant summer rain events and they ended up with huge amounts of soil moving downstream. These are parent materials and the soils derived from these parent materials are gravelly and sandy and highly erodible. These intense events are really hard on that. Interestingly, after the fire you could look at the landscape and see at every draw bottom a big pile of debris. It is not an unnatural event but it is one we don't like.

What did we do for wildlife? I mentioned snag retention was important. We provided habitat and a forage source for the cavity-nesting species. We also provided a long term source of coarse woody debris which in the forest is the same as the large woody debris in the streams. We retained two snags per acre over 21 inches diameter and greater than 20 feet tall. This amounted to over 11,500 large snags and trees in our harvested areas. We left behind a lot of the economic value because we were concerned about providing habitat for cavity-nesting species as well as the recruitment, long term, of organic matter into these soils.

What about big game concerns? What about the recovery rates and what if big game recovers too robustly are they going to get in the way of our seedlings? We didn't lose a lot of elk habitat, in other words the elk recovered substantially. Along with that wolves have moved in.

What about vegetation recovery and post-fire mortality? One of the things I am sure you've heard is the department is always trying to balance the economic and ecologic values. We can't ignore either one. We have to focus on what are the ecologic values most in need of our investment and put our dollar forward and get the most bang for the buck. As part of that balancing act, we decided early on we would not harvest any trees with any green on them. That was a concession. We weren't sure how many would live or die. The fire created a hodgepodge of burn. What happens in these areas of mixed severity of

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fire? Do the trees live? We established mortality monitoring plots. We wanted to know how many would die because of the fires, how many would die because of insects and disease. We also established a series of photo points to track and document forest recovery.

What happens to the trees after the fire? They don't all die just because of the fire. There are beetles that move into the damaged trees and start eating the cambium which eventually kills a lot of these trees. Another factor is these trees don't have much of a crown left and they don't have enough photosynthetic capacity to recover. The maintenance restoration because of all the live material is so great that the tree is always in a negative carbon balance and eventually can die because of that. What we found on mortality plots which were installed in the mixed severity burns was that 65% of the trees that weren't dead right after the fire have since died. We think that is a substantially large number. In less than six years about half of the trees that died after the fire, not from the fire, have tipped over or broken off. Why? We don't really know.

This gets into the salvage harvesting. The fire started in Sula about August 3rd, it was out by August 10th, and we were out there by August 17th surveying the area, getting expert opinion, setting it up, doing tours, and cooperating with our stakeholders to get this moving. I think we did a really good job of involvement with our various stakeholders in between the tours and MEPA. The Land Board was extremely cooperative in allowing us to do some MEPA exceptions, we accelerated the timeline in some ways. We began logging on December 3rd, four months after the fire. We harvested 26 million board feet off of that first effort. The bids were \$130 - \$220 per thousand. We generated \$4.5 million of revenue. Along with that we collected \$785,000 for the Forest Improvement account that allows us to continue planting, weed control, etc. Where trees are continuing to die because of beetles and other factors, we have had on-going salvage efforts to capture additional post-fire mortality.

Jon Hayes, DNRC Forest Improvement Supervisor SW Land Office, said we had the fire and we had the salvage. One of the first things we wanted to do is see if we had gotten any natural regeneration. We did a large scale survey in the summer of 2002, two years post-burn, particularly on the west side which was the most severely burned. Most all of this side burned as a stand replacement. We found less than 4% of the plots had established seedlings and we estimated approximately 4,000 acres needed planting. We started to look at the seed source. The fire burned through the Sula primarily the first week of August and typically the seeds on the cones are not ripe at that time, the existing seed source that was coming on would ripen towards the end of August. Oftentimes some of the seed is stored and it will sit dormant in the duff layer for quite a few years. Because of the intensity of that fire on that west side a lot of that seed got volatilized. Lack of seed source for natural seeding was less than 5% of the plots we had taken within 200 feet of a live tree we felt was capable of producing seed. As we started to look and talk to our other cooperating neighbors and landowners nobody had the seed for that elevation. Sula is unique in that it is a high elevation pine forest, up to 4,800 or 5,500 foot elevation which is getting to be the upper range of commercial ponderosa pine management. Typically when we plant we want to make sure we put seedlings in an area that are site-adapted. One of the ways to do that is by elevational bands. The rule of thumb through research is needing seed up or down about 600 – 650 feet in elevation. It has to do with when they burst bud and the length of the growing season. The other thing we looked at in 2002 when we were looking at presence or absence of seedlings post-fire was the amount of weeds we had. Certainly there were weeds on the Sula prior to the fire and now particularly knapweed. One of the ways you can move towards eliminating knapweed is with shade. When the timber canopy is gone there is the possibility that it could really take over the site. We found that we had weeds present on 40% of the plots, primarily knapweed and hounds tongue. Our initial efforts were to control and work on the spots along the roads. We cooperated with some of the adjacent landowners and we've been doing about 300-500 acres per year continuing to work on keeping the weeds in check. Our reforestation strategies prioritized the area and looked at the ground that was operable and our high productive sites. We wanted

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to make sure we put the best seedlings we could on our best sites as quickly as we could to capture some growth and get the forest growing again. Of course we looked at areas on the west side where we didn't feel we would get much in natural regeneration. We currently are doing about 900 acres per year, the cost is running between \$.60 and \$.75 per tree. To date we've planted about 600,000 seedlings on 2,200 acres. By the end of 2008 we will have over a million trees replanted. We are looking at 269,000 by this spring.

Lt. Governor Bohlinger asked how long it took for a tree to mature?

Mr. Hayes said they are a year old when we put them in the ground, so three growing seasons to get a three feet tall. A foot a year is not out of the realm. Some have been up as much as 14 inches. On this particular site depending upon moisture, they can do that.

Mr. McLeod said the first time I was down on Sula we measured trees because a forester was telling me how old they were and I thought they were older. We were getting 20-24 inch diameter trees in 100 to 120 years, which is a big tree in a hurry.

Mr. Hayes said we needed seed, we didn't have it, the majority of our forest burned down there. There was 1,700 acres of the Sula that didn't burn. You can't guarantee good seed production every year although pine is fairly regular in that matter, so we were able to get some off of our own ground but we had to go to our cooperators. One of the methods we used was a climber collecting cones. The typical seedlings are being put in less per acre but are bigger and healthier plugs. The demand for the seeds we needed exceeded our normal nursery business. Our nursery couldn't produce the number and size we needed in a timeframe so we did contract out the growing of our seedlings. The last several years a couple of nurseries that actually have our contracts are in Canada. They have been providing high quality seedlings.

Two of the biggest enemies to a seedling surviving and growing are competition with grass and elk and deer. Pronone, an herbicide, is applied to knock back the grass and allow the roots to get established. The seedlings are fresh and green and the first thing the elk and deer want to do is eat the bud off, it is full of nutrients. We treat the seedling with Plantskydd, a browse prevention, a bloodmeal, and the wildlife don't like the smell. The other factor is when planting them in the spring we saw the wolf pack, they are the natural game prevention. They keep the elk and deer moving and from that standpoint we are glad to see them in there. The seedlings have an 85% survival rate and grow almost one foot in the first year and continue at that rate.

Lt. Governor Bohlinger asked if Plantskydd is a product available to homeowners in Helena?

Mr. Hayes said yes you can get it at some of the hardware stores and nurseries. It is not offensive to the human nose unless it is concentrated. Once its out and planted you can't detect it but it is offensive to deer. Continuing, Mr. Hayes said the future plans are more planting, we are hoping to have covered most of the needs by the spring of 2008 in Sula. There may be some follow up and spot planting in areas. We've got another big regeneration survey that will look at planting, natural coarse woody debris, and weeds and that is going to take place this coming summer/fall. We will continue with monitoring of water quality, shade, temperature, cover over the streams, wildlife use and herds. We continue to follow the mortality and snag fall rates and the reforestation surveys. Our grazing cooperators down there are our lessees. The first three years after the fire they made an agreement to withhold their cattle to allow the land to recover, although the cattle hasn't been a big problem on our seedlings. And we will also continue with the weed control.

Mr. Johnson asked what did it cost to fight that fire?

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Mr. Hayes said I was involved early on and ended up being the DNRC representative to Ravalli County for the fires. The last figure I heard was \$68 million.

Lt. Governor Bohlinger asked of that cost what portion of it was borne by the State of Montana and what was the federal government's commitment?

Mr. Hayes said we had no direct protection down there, the county co-op program was enacted specifically for an area around Sula and our share of that was maybe \$3 million and that was in supporting volunteer fire departments primarily.

Ms. McCulloch said I recall when visiting Colstrip years ago, and of course it is a different situation, but for reconstruction of the soil they found it very productive to bring in bison herds. They do have different hoofs than cows, the cattle didn't work but the bison did. Have you ever done that on the state at all? Have you ever had a need?

Mr. McLeod said not that I am aware of. I am not sure but it probably has to do with materials being moved and they were probably trying to get some additional compaction. In some cases compaction might be good but no, we haven't put bison herds on our fires so far.

Ms. Sexton said if there are other presentations the Board would particularly like to have or like to see please let us know because our folks appreciate the opportunity to show the important work they do.

Mr. Johnson said I have to say again how impressed I am at the level of effective management that is demonstrated by the state foresters. Thank you for your leadership in that regard. The Governor is right when he said we ought to be giving lessons to the federal government.

Ms. Sexton said thank you and I am sure we will pass that on to all our folks because like everyone kudos go a long way.

Motion to adjourn was made by Mr. McGrath. Seconded by Mr. Johnson.